

A banner image for the Chesapeake Bay Watershed Restoration Fund. It features a scenic view of the Chesapeake Bay with a long bridge spanning the water, a red and white lighthouse on a small island, and a sailboat with a red, white, and blue sail. The text "Chesapeake Bay Watershed Restoration Fund" is overlaid in a large, bold, white font with a blue outline.

Chesapeake Bay Watershed Restoration Fund

Governor Ehrlich's Chesapeake Bay Watershed Restoration Fund

- The Chesapeake Bay Watershed Restoration Fund will create a dedicated fund to upgrade the 66 largest sewage treatment plants, located in 23 jurisdictions around the State, to achieve state-of-the-art nutrient removal. An environmental surcharge will be set at \$2.50 per month per household; a surcharge on businesses will be based on the wastewater they generate (\$2.50 per month for every 250 gallons per day of discharge).
- The Fund, which will be administered by the Department of the Environment (MDE), will support state revenue bonds that will provide the estimated \$750 million to \$1 billion needed to complete the necessary upgrades.
- The upgrades of the 66 major sewage treatment plants will reduce the nitrogen loading to the Bay and its tributaries by 7.5 million pounds per year, approximately 1/3 of the additional reduction needed for Maryland to meet its commitments under the 2000 Bay Agreement.
- MDE will prioritize plants to be upgraded based on their ability to achieve the largest nutrient reductions to the Bay and its tributaries. These plants will be required to upgrade to “enhanced nutrient removal” (ENR).
- Design and construction of the upgrades for the first plants can begin as soon as 2005. Design and construction of additional plant upgrades will be phased in each year, and construction of all 66 major sewage treatment plants can be initiated by 2009 and completed by 2011.
- Once the 66 major plants have been completed, surplus in the Fund and the future revenue stream will be available to finance upgrades of the State's smaller sewage treatment plants where it is cost-effective to do so.
- Up to 10% of the Fund, about \$6.6 million annually, will be allocated to wastewater utilities to help offset the added operation and maintenance costs that result from upgrading plants from “biological nutrient removal” (BNR) to ENR levels.
- Up to 3% of the Fund, about \$2 million per year, will be retained by the billing authorities to offset the cost of collection. Up to 1.5% of the surcharge, about \$ 1 million per year, will be allocated to MDE to cover financial management of the Fund and administrative costs of plant planning, design and construction.
- The legislation also establishes an Advisory Committee charged with identifying additional sources of funding, making recommendations to improve the effectiveness of the Fund, modifying the surcharge fee as necessary to meet the financing needs of the Fund, and advising the Secretary of MDE concerning the adoption of regulations governing the management and use of the Fund.